

July 3, 2003

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**FOR IMMEDIATE RELEASE**

On July 2, 2003, the Public Utilities Commission issued an order regarding the request of Unitil Energy Systems, Inc. (UES) for an increase to its stranded cost charge to recover fuel and purchased power costs incurred but not collected during the period November 1, 2002 through April 30, 2003. Under terms approved by the Commission, a typical 500 kWh residential customer bill will increase by approximately \$1.94 per month, significantly less than UES' proposal which would have resulted in an approximate increase of \$3.48 per month.

According to UES, fuel and purchased power costs last winter and spring were much higher than originally expected. UES had requested the Commission to authorize recovery of an \$8.556 million under-collection beginning on May 1, 2003 over a twelve-month period, with interest at prime.

In its order, the Commission modified the Company's request by extending the recovery period from a twelve month period to a twenty-two month period beginning on July 1, 2003, and reducing the interest charged from prime to 1.85 percent per year. The Commission's decision, which lowered the request to average monthly increases from 6.33% to 3.53%, balances the interest of UES and its customers by moderating the bill impact for customers while protecting the financial flexibility of UES.